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BELLSOUTH

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October 3, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

WRITTEN EX PARTE

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

Re: CC Docket No. 01-277

Dear Ms. Salas:

Attached is a copy of the transcript of the Georgia Public Service Commission meeting held on October 2, 2001 during which the GPSC voted 4-0 to adopt staff recommendation that BellSouth has met both the Track A and the 14-point checklist of Section 271 of the Communications Act of 1934, as amended. On October 3, 2001 I sent a copy of the transcript electronically to Jessica Rosenworcel of the Commission's Common Carrier Bureau at her request. I am also sending copies of these documents to James Davis-Smith and Cynthia Lewis of the Department of Justice's Telecommunications Task Force.

In accordance with Section 1.1206, I am filing two copies of this notice and the attachment and request that you place them in the record of the proceeding identified above.

Sincerely,

Kathleen Levitz
Kathleen B. Levitz

Attachment

No. of Copies rec'd 012
List ABCDE

cc: Jessica Rosenworcel (w/o attachment)
Susan Pie
James Davis-Smith
Cynthia Lewis

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

ADMINISTRATIVE SESSION

Hearing Room 110
244 Washington Street
Atlanta, Georgia

Tuesday, October 2, 2001

The administrative session was called to order at
10:02 a.m., pursuant to Notice.

PRESENT WERE:

LAUREN MCDONALD, Jr., Chairman
STAN WISE, Vice Chairman
ROBERT DURDEN, Commissioner
ROBERT BAKER, Commissioner
DAVID BURGESS, Commissioner

P R O C E E D I N G S

CHAIRMAN McDONALD: Ladies and gentlemen, we'll come to order at this time. This is the administrative session for October 2, Georgia Public Service Commission.

Commissioners, are there any items on the agenda - on the consent agenda or the regular agenda that you desire to have held or moved to the regular agenda from the consent agenda?

(No response.)

CHAIRMAN McDONALD: Commissioners, I would like to ask that R-3 be held until the first administrative session of November.

Any other items that Commissioners desire to have held?

(No response.)

CHAIRMAN McDONALD: If not, we'll proceed with the consent agenda. You have the consent agenda in front of you. Is there objection to adopting the consent agenda as presented?

(No response.)

CHAIRMAN McDONALD: Hearing no objection, the consent agenda is adopted 4-0.

(Commissioners McDonald, Wise, Baker and Burgess present and voting.)

CHAIRMAN McDONALD: We'll move to the regular

1 agenda, R-1, Mr. Bowles.

2 MR. BOWLES: R-1 is consideration of BellSouth's
3 compliance with Section 271 of the Telecommunications Act.

4 Staff recommends the Commission, in Docket 6863-U,
5 adopt staff recommendation that BellSouth has met Track A
6 and the 14-point checklist as prescribed by Section 271 of
7 the federal Telecommunications Act.

8 In Docket 7253-U, approve BellSouth's statement of
9 generally available terms and conditions.

10 In Docket 8354-U, adopt the third-party test final
11 report findings.

12 Although not a condition for 271 approval,
13 according to the CLECs, these operational support system
14 enhancements will assist them in the local market.

15 Staff recommends that the following OSS
16 enhancements -- that BellSouth implement the following OSS
17 enhancements:

18 Implement by January 5, 2002, a C-order by which
19 N&D orders complete together in sequence.

20 Implement by November 3, 2001, migration by
21 telephone number and name.

22 Implement fully fielded parsed CSRs by January 5,
23 2002.

24 Increase reject correction time limit from 10 days
25 to 30 days by November 3, 2001.

1 Implement by -- this is a typo, it's supposed to
2 be January 5 -- implement by January 5, 2002, electronic
3 ordering for line splitting.

4 For the OSS upgrades listed above, staff
5 recommends that the Commission assess penalties of \$10,000
6 per day for every day past the implementation schedule
7 that's spelled out in staff recommendation.

8 Staff recommends approval.

9 CHAIRMAN McDONALD: Commissioners, any questions
10 to Mr. Bowles?

11 COMMISSIONER BURGESS: Mr. Chairman, I don't have
12 a question but I've got some comments I'd like to make.

13 CHAIRMAN McDONALD: Commissioner Burgess.

14 COMMISSIONER BURGESS: First of all for the
15 record, I want to once again commend the staff for the work
16 product that they have presented to this Commission
17 throughout the endurance of this entire process. And I want
18 to highlight the fact that not one dollar of state funding
19 has been utilized to receive outside consultants to help in
20 this project. It has all been done internally here by our
21 Commission staff and they've done an excellent job.

22 We didn't just get here today by accident. This
23 process started first back in April of 1995 with the passage
24 of our state competition act and that act mandated that this
25 Commission open up the local markets in Georgia to

1 competition. In February 1996, of course, the federal
2 Telecom Act was passed and similar duties were imposed upon
3 this Commission.

4 And in order to accomplish the stated objectives,
5 this Commission has developed a very comprehensive, open
6 process to reach its conclusion now. This process has
7 included a lot of firsts. This was the first Public Service
8 Commission to order a Bell operating company to implement
9 electronic operational support systems in the nation, one of
10 the first Public Service Commissions to implement number
11 portability here in the state of Georgia, one of the first -
12 - the first Public Service Commission to initiate a
13 performance assurance plan prior to a Bell operating company
14 receiving Section 271 authority.

15 This Commission's reach has went beyond Georgia in
16 that this Commission has held workshops throughout the
17 southeast assisting other state commissions in preparing for
18 their Section 271 applications.

19 This Commission has been involved in a two-year
20 process with KPMG of evaluating the operational readiness of
21 BellSouth's operational services to expedite switching
22 between BellSouth customers and customers of CLECs
23 throughout the state of Georgia.

24 And these processes have opened comprehensive --
25 have yielded some good results. Currently in our state, we

1 have 143 competing local providers that are providing
2 services today, they're providing services throughout the
3 state of Georgia. We have over 39 switches operating by
4 CLECs in our state, over 260,000 interconnection trunks.
5 We've got over 800 collocation arrangements in this state.

6 CLECs today are providing service to nearly
7 900,000 access lines in the state of Georgia and that's very
8 significant because it's the highest market penetration of
9 any state prior to a Bell operating company receiving a 271
10 endorsement by that state. About 17 percent of BellSouth's
11 total market now is being served by competing local carriers
12 in Georgia, 30 percent of BellSouth's business market is
13 served by competing carriers and nine percent is served by
14 residential carriers.

15 And the thing that's unique about these numbers is
16 that many of the largest CLECs here in our state have either
17 late or limited market entry. MCI recently initiated their
18 residential service here in the state. In the last three
19 and a half months, they've been able to add 50,000 customers
20 and those numbers are growing month by month because they've
21 got a good product, they've got a good price and they've got
22 a good marketing strategy.

23 To say that the markets in this state are not open
24 is just untrue. Things are not perfect, but subscribers are
25 exercising their right to choose their individual carriers.

1 A lot of carriers have raised concern about well
2 what happens after this Commission endorses BellSouth's
3 application, what has this Commission done to ensure that
4 service quality levels will remain and that this competitive
5 market will remain open? I think that this Commission has
6 taken several initiatives. Its performance assurance plan
7 is probably the most aggressive plan in the country.
8 BellSouth is subject to fines and penalties of over \$350
9 million if they fail to keep performance up. They also have
10 a tier three in our performance assurance plan that no other
11 state in the country has that would suspend BellSouth's
12 right to market their long distance service to potential
13 customers. We've got in place another review of BellSouth's
14 rates, the third review of BellSouth's costs of unbundled
15 network elements to wholesale carriers. We've got KPMG
16 auditing this Commission's performance measurements to some
17 2200 measures to ensure that performance continues to
18 remain. We've got another docket scheduled to look at
19 BellSouth's win-back activities to ensure that they are
20 inhibiting -- fair market practices are being utilized in
21 selling their services and trying to win customers back from
22 CLECs.

23 So I believe that this Commission has in place
24 appropriate measures to ensure beyond a Section 271 approval
25 that this market remains open. You know, I said all along

1 personally that I would not endorse a BellSouth application
2 for long distance authority until I thought it was right.
3 And I made that commitment from day one. I believe that it
4 is right and I believe it is time for this Commission to do
5 what's right.

6 So therefore, I'm going to endorse and support the
7 staff's recommendation and would encourage my colleagues to
8 do likewise.

9 CHAIRMAN McDONALD: Any other Commissioner?

10 COMMISSIONER BAKER: Well, I think Commissioner
11 Burgess has summed up in a very short period a long history
12 covering five years of what has occurred here at the
13 Commission. We've come a long way from when the state
14 legislature passed our bill to open up local markets here in
15 the state of Georgia. And I think he's hit the highlights.

16 I mean you can't argue with the fact that you have over
17 815,000 access lines being served by CLECs. We have had the
18 independent third-party testing that's gone on for almost
19 two years. We have had the performance measurements in
20 place and operational since May of this year and --

21 MR. BOWLES: March.

22 COMMISSIONER BAKER: March, thank you. -- and
23 we've had substantial penalties levied against BellSouth for
24 non-compliance with those performance measurements. And
25 today, the Commission's action does not mean that the CLECs'

1 problems will be ignored or that future issues will be swept
2 aside. We have the performance measurement review that
3 we're going to go on -- I mean that is the perfect docket
4 for anyone who has problems with the current measurements,
5 to come in, to propose amendments to those measurements and
6 to make sure that their needs are taken care of and that
7 incentives are provided for BellSouth to continue to make
8 the necessary improvements in order to have a more open and
9 fair competitive market in the state of Georgia.

10 And I think Commissioner Burgess hit it on the
11 head when he pointed out the fact that close to 30 percent
12 of business lines are now being served by CLECs and we have
13 close to nine percent of the residential market being served
14 by CLECs. And that's an impressive figure that no other
15 state in the country can match as far as the number of
16 customers being served by CLECs.

17 So with our action today -- whatever that may be -
18 - you know, we are going to stay fully involved in this
19 process. In fact, Mr. Bowles has already made a promise
20 that he is going to be just as tough as ever as far as
21 monitoring complaints and working with the CLECs to make
22 sure that their needs are addressed. And this Commission
23 will stay fully involved in this process, if it takes
24 another five years.

25 It wasn't an easy process. I remember when the

1 law was first passed, there were predictions by some of the
2 representatives of the CLECs that we'd have a fully
3 competitive market in one year. Well, that didn't
4 materialize and we learned a lot about what is necessary in
5 order to open up a network to third parties in order to
6 allow access so that competing companies can offer service
7 in the state of Georgia. And it's been a long road.

8 We initially had implemented resale discounts that
9 we thought would kick off a competitive market. That really
10 didn't jump start the process.

11 This Commission I think was very aggressive in its
12 order regarding the availability of unbundled network
13 elements and the pricing for those unbundled network
14 elements for CLECs. That was a critical step in the process
15 that allowed competitors to come into the market and take
16 advantage of buying in pieces those elements of the network
17 that they needed to complete their service to their
18 customer.

19 So I think this Commission's record stands proudly
20 for what it's done and I give a lot of credit -- most of the
21 credit -- to the staff for what they've done as far as
22 working with us, reviewing the information. There was an
23 enormous amount of paper filed in this last proceeding with
24 comments on the 271 application. It takes a long time to go
25 through all that paper. I appreciate the assistance they've

1 offered me as far as consulting advice on the issues that
2 have arisen.

3 So this is just one step, another step in the
4 process. It's not the final step. I anticipate that we
5 will still have a lot to do in the next few years as far as
6 moving forward in the state with opening up local markets to
7 competition and I appreciate all the help that staff has
8 offered to me.

9 Commissioner Burgess, in his dual role as
10 Commissioner and as Director of the Telecommunications
11 Section, has been instrumental in this entire process and
12 probably knows the history better than anyone else as far as
13 what actually occurred.

14 I endorse his -- I support his position as far as
15 the time has come. Initially, I was leaning heavily in
16 favor of granting to the CLECs their request for whatever
17 they needed. And I told them that and I told BellSouth
18 that, that the pendulum was swinging in their way when we
19 first initiated this process. And BellSouth griped and
20 complained about what we were doing, we were excessive, we
21 were going beyond what we should have done. But, you know,
22 it was necessary in order to change the way business was
23 being done, to implement the state and federal legislation.

24 And we are here today at a point where we're
25 beginning to see the fruits of all those efforts developing

1 and hopefully benefitting Georgia consumers, because that's
2 the ultimate objective of this whole process, is that we're
3 not doing it just as an academic exercise to see how you
4 deregulate a marketplace. It's a process that -- with the
5 intent of providing competition in the market so that retail
6 customers, both residential and commercial, can benefit from
7 a competitive market for local service. And I think we're
8 seeing that happen today.

9 Is it perfect? No. Are there problems? Yes.
10 Are we going to have to keep working to straighten out those
11 problems and keep making changes for the future? Yes.

12 But we've come a long way and I think it's time
13 now to recognize the dramatic changes that have been made
14 over the past several years and to recognize that the
15 company has complied with the current FCC guidelines and 14-
16 point checklist requirements, and just make an honest
17 assessment of where we are today in Georgia.

18 CHAIRMAN McDONALD: Commissioner Wise?

19 (No response.)

20 CHAIRMAN McDONALD: My comments are the fact that
21 it is a big move today. My congratulations to staff as well
22 and Commissioner Burgess, and Commissioner Wise and
23 Commissioner Baker, because there's a lot of hours by the
24 Commission that have been placed in this process.

25 But my commitment is again to the competitive

1 local exchanges that are going to be out there. BellSouth
2 is not going away from this Commission, they're moving into
3 a wider field and I challenge them, as they understand, that
4 they will continue to serve the CLECs in the competitive
5 marketplace and if not, we'll see them back here at the
6 Georgia Public Service Commission.

7 Is there -- all those in favor of the staff's
8 recommendation on R-1, say aye.

9 VICE CHAIRMAN WISE: Aye.

10 COMMISSIONER BAKER: Aye.

11 CHAIRMAN McDONALD: Aye.

12 COMMISSIONER BURGESS: Aye.

13 CHAIRMAN McDONALD: Opposed?

14 (No response.)

15 CHAIRMAN McDONALD: The ayes have it with
16 Commissioners Burgess, Baker, Wise and McDonald voting in
17 the affirmative, 4-0.

18 R-2.

19 MS. O'LEARY: Commissioners, item R-2 is Docket
20 Number 14106-U, Georgia Public Service Commission Notice of
21 Proposed Rulemaking regarding emergency procedures required
22 in conjunction with the Georgia Utility Facility Protection
23 Act. Consideration of action to be taken following the
24 issuance of the August 2, 2001 NOPR.

25 At its administrative session on July 23, the

1 Commission authorized staff to issue a Notice of Proposed
2 Rulemaking containing rules that require, within 60 days of
3 their effective date, that every entity under the
4 jurisdiction of this agency establish procedures that its
5 employees and agents shall follow in the event that a
6 utility facility is damaged when blasting or excavating is
7 being performed on behalf of the regulated entity.

8 As per the NOPR, comments regarding the proposed
9 rules were accepted by staff through September 21. Only the
10 CUC filed its opinion regarding the rules proposed, and that
11 opinion was supportive of the action being contemplated by
12 the Commission.

13 In light of this fact and because the underlying
14 purpose of the rules is to further public safety at
15 excavation sites and areas, staff recommends that these
16 rules be adopted by the Commission.

17 CHAIRMAN McDONALD: Are there questions for Ms.
18 O'Leary?

19 (No response.)

20 CHAIRMAN McDONALD: Is there objection to adopting
21 staff's recommendation?

22 (No response.)

23 CHAIRMAN McDONALD: Hearing none, staff's
24 recommendation is adopted 4-0.

25 (Commissioners McDonald, Wise, Baker and

1 Burgess present and voting.)

2 MS. O'LEARY: Thank you.

3 CHAIRMAN McDONALD: R-4.

4 MS. BARBER: R-4 is Docket Number 14206-U, a
5 Georgia Public Service Commission rulemaking concerning
6 natural gas marketers' service requirements. Consideration
7 of proposed rule changes to the Request-Off Non-Payments
8 process.

9 At the administrative session on May 1, 2001, the
10 Commission approved Rule 19 of Atlanta Gas Light Company's
11 tariff for a period of 120 days effective May 15. The
12 Commission has since that time extended Rule 19 for a period
13 of 90 days or until such time as a final rule has been
14 considered.

15 The Commission has directed the staff to initiate
16 a rulemaking to develop its own rule to address the RONP
17 issues. At the administrative session on July 23, 2001, the
18 Commission approved a Notice of Proposed Rulemaking to go
19 out for comments for a period of 30 days. Several parties
20 have filed comments. Staff has reviewed the comments and
21 has made revisions to the Notice of Proposed Rulemaking.

22 Staff recommends that this revised NOPR be
23 approved with comments due back by November 2, 2001.

24 CHAIRMAN McDONALD: Any questions for Ms. Barber?

25 (No response.)

1 CHAIRMAN McDONALD: Is there objection to adopting
2 staff's recommendation?

3 (No response.)

4 CHAIRMAN McDONALD: Hearing none, staff's
5 recommendation is adopted 4-0.

6 (Commissioners McDonald, Wise, Baker and
7 Burgess present and voting.)

8 CHAIRMAN McDONALD: R-5.

9 MR. VAUGHAN: R-5 is Docket Number 13841-U,
10 consideration of proposed revisions to Commission Rule 515-
11 7-5.

12 The staff requests the Commission to approve
13 issuance of the proposed USF rules for comment period. The
14 comments will be due back on November 2.

15 CHAIRMAN McDONALD: Is there any questions to Mr.
16 Vaughan?

17 (No response.)

18 CHAIRMAN McDONALD: Is there objection to adopting
19 staff's recommendation?

20 (No response.)

21 CHAIRMAN McDONALD: Hearing none, staff's
22 recommendation is adopted 4-0.

23 (Commissioners McDonald, Wise, Baker and
24 Burgess present and voting.)

25 CHAIRMAN McDONALD: R-6.

1 MR. BOWLES: R-6 is Docket 10547-U, it's a name
2 change. Everything is in order and staff recommends
3 approval.

4 CHAIRMAN McDONALD: Any questions for Mr. Bowles?
5 (No response.)

6 CHAIRMAN McDONALD: Is there objection to adopting
7 staff's recommendation on R-6?

8 (No response.)

9 CHAIRMAN McDONALD: Hearing none, staff's
10 recommendation is adopted 4-0.

11 (Commissioners McDonald, Wise, Baker and
12 Burgess present and voting.)

13 CHAIRMAN McDONALD: R-7.

14 MR. HOPKINS: Item R-7 is Docket Number 5825-U, a
15 Standard Telephone Company petition for de minimum claim
16 from the Universal Access Fund.

17 On September 6 of this year, Alltel filed this
18 petition on behalf of Standard. This petition has been made
19 in accordance with the Commission's August 23 order of this
20 year and with the annual capped amount of \$1.5 million, as
21 per the Commission's order of August 31, 1999.

22 On February 17 of last year, GTA filed on behalf
23 of 31 of its member companies to opt out of the formal
24 hearing process in this docket. Standard was not included,
25 as its annual disbursement amount of \$7.9 million exceeded

1 the annual cap amount of \$1.5 million.

2 Standard, in this petition, has stipulated to the
3 reduced UAF annual disbursement amount and withdraws its
4 petition for rate rebalancing under Docket Number 12420-U.

5 After reviewing this petition, the staff is of the
6 opinion that the request conforms with the Commission's
7 order of August 23 of this year. By accepting the annual
8 cap amount provisions of the August 31 order of 1999,
9 Standard becomes free to opt out of the formal process and
10 become a de minimus LEC claimant for UAF disbursements.

11 Therefore, the staff does not oppose Standard's
12 petition. Specifically, this would mean that Standard would
13 be entitled to receive disbursements of up to \$1.5 million
14 during the period of July 1 this year through June 30 next
15 year and up to \$1 million the following year and up to
16 \$500,000 during the third and final year of the current UAF.

17 CHAIRMAN McDONALD: Any questions of Mr. Hopkins?

18 COMMISSIONER BURGESS: Mr. Chairman, I've got a
19 comment.

20 I have really been concerned about the manner in
21 which Standard Telephone has continued to raise rates for
22 their customers up in the north Georgia area and my
23 conscience will not allow me to support this application to
24 the Universal Service Fund. I don't believe it's in the
25 spirit and intent of the Commission's order and therefore, I

1 will vote against the staff's recommendation in this case.

2 CHAIRMAN McDONALD: Any other comments?

3 COMMISSIONER BAKER: Well, let me ask Mr. Hopkins
4 a question. Did staff look at the recent rate increases or
5 the most recent rate increases Standard has had -- did you
6 take that into consideration?

7 MR. HOPKINS: Staff is aware of those increases
8 and what I'm proposing to you is -- the staff is willing to
9 go along with whatever the Commission finally decides on
10 this matter. We are simply stating the fact that Standard,
11 by opting for the \$1.5 million annually, does conform to the
12 Commission's order. We took no position relative to that.
13 We just don't find any legal reason why we can oppose it.

14 COMMISSIONER BAKER: Okay. But I mean do you have
15 information regarding what the cumulative impact is of the
16 most recent rate increases for the company? And if you know
17 what they are, could you tell us what they are?

18 MR. HOPKINS: I don't have those myself, the
19 Telecom Section may have an aggregate number as to what
20 those would aggregate to.

21 CHAIRMAN McDONALD: Any other questions to Mr.
22 Hopkins?

23 (No response.)

24 CHAIRMAN McDONALD: All in favor of staff's
25 recommendation, say aye.

1 (No response.)

2 CHAIRMAN McDONALD: All opposed, no.

3 VICE CHAIRMAN WISE: No.

4 COMMISSIONER BAKER: No.

5 CHAIRMAN McDONALD: No.

6 COMMISSIONER BURGESS: No.

7 CHAIRMAN McDONALD: Staff's recommendation is
8 lost, 4-0.

9 R-8.

10 MS. JOHNSON: R-8, we have consideration of two
11 applications for financing authority. Docket Number 9136-U,
12 which is an acquisition by Choctaw Communications, Inc.,
13 d/b/a Smoke Signal Communications by 1-800-RECONEX; and
14 Docket Number 6761-U, an acquisition of Teligent Services,
15 Inc. by Teligent Acquisition Corporation.

16 Staff has reviewed these applications and finds
17 them to be in order. We recommend that they be approved --
18 that the hearing be waived and they be approved.

19 CHAIRMAN McDONALD: Any questions?

20 (No response.)

21 CHAIRMAN McDONALD: Is there objection to adopting
22 staff's recommendation on R-8?

23 (No response.)

24 CHAIRMAN McDONALD: Staff's recommendation is
25 adopted 4-0.

1 (Commissioners McDonald, Wise, Baker and
2 Burgess present and voting.)

3 CHAIRMAN McDONALD: We'll move to a non-docket
4 item D-1. Mr. Bottone.

5 MR. BOTTONE: Yes. Last Energy Committee, there
6 was a request from the Commission to get certain information
7 from marketers pertaining to low-income seniors and the
8 amounts they owed.

9 That information has now been provided with the
10 exception of one small marketer. I think these numbers
11 represent what is out there currently. Do you want me to
12 run through the numbers for you?

13 CHAIRMAN McDONALD: Yes.

14 MR. BOTTONE: As of today, the number of low-
15 income seniors who have had their natural gas service
16 disconnected is 956 and that group owes \$589,000 roughly.

17 The number of low-income seniors that are more
18 than 45 days delinquent and subject to turn-off, but have
19 not been turned off as of yet -- although some of this group
20 are on payment plans, so not technically available for turn-
21 off. That group is 3522 customers and that group owes
22 \$962,000.

23 So the aggregate of the folks today is 4478
24 customers owing \$1.5 million.

25 There was a third request to take a snapshot in

1 time of May 1 to find out what those numbers were. A number
2 of the marketers have indicated that their systems did not
3 store that kind of information on a date basis and they have
4 been having to go back and hand calculate that number, so we
5 really don't have those numbers as of yet. We had two
6 marketers report that number but it wouldn't be
7 representative of what the total is.

8 CHAIRMAN McDONALD: Okay. I recognize
9 Commissioner Baker.

10 COMMISSIONER BAKER: Mr. Chairman, Commissioners,
11 the Georgia Legislature this year passed an amendment to the
12 gas deregulation legislation pursuant -- contained in
13 Section 46-4-161, which emphasized the need or their desire
14 to have this Commission address potential problems arising
15 from low income customers being subject to high prices for
16 natural gas service and potential disconnection or
17 termination of service. We have had discussions here in the
18 Commission regarding how to approach this problem of trying
19 to provide some assistance to low income elderly natural gas
20 customers here in the state of Georgia who have had
21 difficulty paying their gas bills from last winter or have
22 been disconnected for non-payment. And so after discussion
23 and input from Commissioners here, I'd like to put forward a
24 proposal for consideration today to provide a financial
25 assistance program for low income elderly natural gas

1 customers here in the state of Georgia.

2 What I would like to propose is to initiate a \$2
3 grant being authorized by this Commission from the universal
4 service fund to be allocated or given to a third party
5 agency for implementation. At this time, we are going to
6 move expeditiously trying to identify a suitable third party
7 to administer this \$2 million grant. What we need is a
8 party or an entity that has experience in administering
9 assistance programs for utility consumers. We're looking
10 for an agency that has or operates on a statewide basis and
11 is able to work with consumers from all over Georgia who
12 have problems with payment for their gas bills.

13 This initial program will be available at first to
14 those customers who are designated as low income senior
15 citizens. Assistance will be offered on their past due
16 natural gas bills and assistance will be offered on a
17 matching funds basis with no limit on the amount that a
18 consumer may receive based on the reciprocal amount that
19 that consumer will also make payment on. This is offer is
20 an opportunity for those consumers who have been
21 disconnected to be reconnected and for those customers who
22 are struggling to make payments on outstanding balances for
23 past due bills to try to get current with those bills and
24 offer to the gas marketers an opportunity to receive payment
25 for debts owed to them and also to provide to them without

1 excessive amount of showing to get reimbursement through the
2 universal service funding.

3 Finally, I would like to state that we are going
4 to seek from this third party agency that is designated as
5 the administrator of this program an accounting of all funds
6 expended through the program to this Commission so that we
7 can make an analysis of the program in the future to
8 determine if additional funding should be made through this
9 program to this agency or possibly to another agency to
10 offer assistance to the low income senior citizens.

11 That is the initial proposal and I'd like to just
12 emphasize this is an initial proposal and this Commission
13 feels very strongly that we have an opportunity here to
14 provide some assistance at this time. We have the resources
15 available and this is a first step. We can take this step
16 by step and approach it based on the results that we see
17 with this initial program and we can address -- if there are
18 ongoing problems with offering service to disconnected
19 customers and trying to assist those customers with past due
20 amounts, we can initiate other actions with the available
21 universal service funds we have to develop new programs, if
22 necessary.

23 And I'd be happy to entertain any questions from
24 any Commissioners about this proposal.

25 CHAIRMAN McDONALD: One of the things in our